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GENERAL ASSEMBLY
Forty-ninth session
Items 48, 54, 63, 90, 91, 92, 95,
98 and 99 of the provisional agenda*
LAUNCHING OF GLOBAL NEGOTIATIONS ON
INTERNATIONAL ECONOMIC COOPERATION
FOR DEVELOPMENT
REDUCTION OF MILITARY BUDGETS
GENERAL AND COMPLETE DISARMAMENT
MACROECONOMIC POLICY QUESTIONS
SUSTAINABLE DEVELOPMENT AND
INTERNATIONAL ECONOMIC COOPERATION
ENVIRONMENT AND SUSTAINABLE DEVELOPMENT
AGENDA FOR DEVELOPMENT
SOCIAL DEVELOPMENT, INCLUDING QUESTIONS
RELATING TO THE WORLD SOCIAL SITUATION
AND TO YOUTH, AGEING, DISABLED PERSONS
AND THE FAMILY
CRIME PREVENTION AND CRIMINAL JUSTICE

SECURITY COUNCIL
Forty-ninth year

Letter dated 8 August 1994 from the Permanent Representative of Germany to the United Nations addressed to the Secretary-General

I have the honour to transmit to you the text of the Final Statement of the twelfth session of the Interaction Council, held at Dresden, Germany, from 7 to 10 June 1994.

I should be grateful if you could have the text of the present letter and its annex circulated as a document of the General Assembly, under items 48, 54, 63, 90, 91, 92, 95, 98 and 99 of the provisional agenda, and of the Security Council.

(Signed) Detlev GRAF ZU RANTZAU

* A/49/150.

ANNEX*

[Original: English, French and Spanish]

Final Statement of the twelfth session of the Interaction Council held at Dresden, Germany, from 7 to 10 June 1994

I

1. Since its inception in 1983, the InterAction Council has always addressed three priority issues: a) peace and disarmament; b) the global nexus of population, environment, resources and development; and c) the revitalisation of the world economy.

2. Although the Cold War has ended, the stockpile of nuclear weapons accumulated over the decades of the arms race still exists. The present opportunity to move towards the elimination of all nuclear weapons should be seized without delay. As a first step, a comprehensive test-ban treaty should be signed and stringent measures put in place to curb the proliferation of all weapons of mass destruction.

3. In that context the Nuclear Non-Proliferation Treaty (NPT) plays a particularly critical role. Its 1995 review must result in a strengthening of the regime, including an extension of the treaty for a substantial period of time and authority for the International Atomic Energy Agency (IAEA) to conduct mandatory and challenge inspections. At the same time the five nuclear powers must feel compelled to honor their Treaty commitments and reduce their large nuclear arsenals.

4. The refusal of the North Korean Government to allow inspections under the NPT is destabilising, both regionally and worldwide. If North Korea continues to flout the express will of the international community, necessary measures including sanctions should be taken and enforced.

5. In the post Cold War world the concept of security has been redefined to embrace non-military dimensions. The most challenging of these is the dramatic increase in world population. World population was 1.6 billion at the beginning of this century. By the end of the century it is widely predicted to stand at 6.4 billion. Unless urgent measures are taken this figure could reach 8 billion in the year 2020 and an appalling 10 billion by 2050. How can limited global resources and energy sustain such a rapid population increase? In particular, food poses problems. An authoritative study should be undertaken by the Food and Agriculture Organization (FAO) on the prospect of the supply and demand of population and food, with attendant recommendations. In particular, the issue of affordability in order to improve food security should be addressed.

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* The present annex is being issued as received, without formal editing.

6. The International Conference on Population and Development, scheduled for September 1994 in Cairo, offers the only opportunity this decade to agree on concrete action. The conference must adopt immediate measures to

a) enhance access to and utilisation of contraceptives;
b) extend education of girls and school attainment, preferably until the age of 14-16 years;
c) enhance women's rights, status, employment opportunities and access to productive resources and credit;
d) improve and expand basic health services, including clinics, especially for women and children.

7. Developed countries must provide more substantial flows of funds and developing countries must reorder national priorities and budget allocation so as to allow an implementation of the programmes and measures proposed. At the international level, incentives, such as a linkage between the establishment of effective family planning programmes and official development assistance, should be adopted; other means could include debt-for-education swaps or the proposed global demilitarisation fund.

II.

8. South Africa and Rwanda stand as opposite examples of the dilemmas of the post cold war world. One, a country undergoing a promising democratic process, benefitting from well-targeted international sanctions, contrasts starkly with the specter of human misery and indiscriminate killing in the other, all but ignored by the international community.

9. Internal and ethnic conflicts threaten to produce a chain reaction, destroying the social fabric of communities and states, eventually destabilising entire regions. Stability may only be regained if the international community begins to intervene in cases of genocide or other blatant breakdowns of governmental authority and does not hide behind self-serving and disingenuous excuses.

10. The United Nations Security Council must play a key role. Criteria must be defined for intervention in what has hitherto been the preserve of sovereign states.

11. While the Charter of the United Nations envisages the deployment of an international force, this may either need to be reinforced by the creation of a standing force of volunteers under UN auspices or by earmarking of national contingents for that purpose. Operational details should be worked out forthwith.

12. Unfettered arms trade fuels domestic and regional conflicts. An effective control system for weapons of mass destruction, ballistic missiles and the trade in conventional arms (including the setting of global norms, regulations and limits for both arms suppliers and purchasers) should be established. The weapons trade with developing countries should be substantially reduced and curbed. Towards that end, countries with military expenditures exceeding 2% of GNP should no longer be eligible for development assistance and funds, except in cases of defensive military operations against external aggression.

III.

13. Strategic dangers also exist in areas outside traditional security considerations.

14. The new phenomenon of internationally operating crime syndicates and the pernicious dimensions of drug trafficking warrant international policing action. Effective cooperative structures need to be devised urgently.

15. In the financial markets, the growth in derivatives and speculative activities in exchange rate markets undermines the stability of the world economy. The InterAction Council reiterates its call for an urgent study - under the auspices of the Bank for International Settlements (BIS) -on the feasibility of establishing sound regulatory and supervisory arrangements at the global level and the practical steps required towards that end.

16. The InterAction Council urges all countries speedily to ratify the agreement signed in Marrakech which concluded the Uruguay Round and, inter alia, established the World Trade Organisation (WTO) with a new dispute settlement system providing binding solutions. WTO should be made operational as quickly as possible so that it may become an effective mechanism to combat protectionism, regionalism and unilateralism.

17. The post Cold War world demands a reexamination of the future role of the global multilateral organisations. The InterAction Council welcomes the report by a High-level Group on the subject presented by Mr. Andries van Agt[1] and commends it to the international community for reflection and appropriate action.

IV.

The Global Economy in Transition

18. Some people claim that with the demise of the Soviet Union and its satellites the world finds itself with uniform capitalist economies. The reality, however, shows a plethora of different market systems. All these economies seem to be much more transformed by changes instigated through the ever more rapid developments of science and technology than through the abolition of political or social systems or ideologies. In all economies, change always exacts a price.

19. The transition process in former centrally planned economies is as much conditioned by cultural and political as by economic structures. The simple imposition of so-called successful models developed under totally different circumstances or from purely academic theories is self-defeating. As all economies in this period of change are confronted with new problems and challenges an attitude of humility and an endeavour to bring words and deeds into convergence seems to be most appropriate.

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[1] In addition to Mr. van Agt, the following members of the InterAction Council participated in the meeting: Olusegun **Obasanjo** (Nigeria) and Ola **Ullsten** (Sweden), as well as the following high-level personalities: Ednan **Agaev** (Russia), Letzek **Balcerowicz** (Poland), Francis **Blanchard** (France), Margaret **Catley-Carlson** (Canada), Diego **Cordovez** (Ecuador), Wim **van Eekelen** (Netherlands), Kurt **Gasteyger** (Switzerland), Lal **Jayawardena** (Sri Lanka), Tatsuro **Kunugi** (Japan), Lord **Lawson** (United Kingdom), Emile **van Lennep** (Netherlands), Samuel W. **Lewis** (United States), Hans **Matthöfer** (Germany), Norman **Myers** (United Kingdom), Bengt **Säve-Söderbergh** (Sweden), Bernardo **Sepúlveda** (Mexico), Kumiharu **Shigehara** (Japan), Thorvald **Stoltenberg** (Norway), Shigeki **Sumi** (Japan), Mamoudou **Toure** (Senegal), George **Vassiliou** (Cyprus). The Secretariat consisted of Hans **d'Orville**, Dragoljub **Najman** and Jens **Fischer**.

20. The InterAction Council, in Prague in 1991, recommended that haste be made slowly in countries which wanted to transform themselves: that the decontrols and the progressing towards the market system be gradual; that privatization also be gradual and above all that the safety nets be kept in place.

21. It would appear that countries of the former Council for Mutual Economic Cooperation (CMEA) opted for a more ideological approach - shock therapy, with the result that it produced considerable economic gangsterism and social turmoil. The request by these new states for external support and financial aid and for the opening up of developed countries' markets is legitimate and should be met to the fullest extent possible. It must be made absolutely clear that this assistance and their own enormous efforts will remain fruitless if they do not provide the preconditions for economic development, i.e. a reliable legal framework and the effective control of the money supply.

22. After an unusually protracted downturn in the economic cycle in the market economies in Europe and North America, these societies are facing the new problem of structural long-term unemployment and jobless growth. Even the prospects of resumed growth will not automatically bring relief. The growth of unemployment in societies of historically unprecedented wealth has produced in some countries growing numbers of poor people together with an accelerated concentration of wealth in ever fewer hands. In addition, it has brought forth a new class of "working poor" whose income from work does not provide them with the essential minimum.

23. The InterAction Council reaffirms the principle that a high level of employment is an ethical and political objective in itself. It is against our understanding of a humane society that growing numbers of people are reduced to the status of welfare recipients. The results of resumed growth should be used to finance those changes whose neglect during the last recession hampered the adjustment process.

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The following participated in the Dresden session:

I. Members of the InterAction Council

Helmut Schmidt [Germany], Chairman
Takeo Fukuda [Japan], Honorary Chairman
Maria de Lourdes Pintasilgo [Portugal], Deputy Chairperson
Andries van Agt [Netherlands]
Oscar Arias [Costa Rica]
Lord Callaghan of Cardiff [United Kingdom]
Miguel de la Madrid Hurtado [Mexico]
Malcolm Fraser [Australia]
Kenneth Kaunda [Zambia]
Olusegun Obasanjo [Nigeria]
Roh Tae Woo [Republic of Korea]
Jose Sarney [Brazil]
Pierre Elliott Trudeau [Canada]
Ola Ullsten [Sweden]

II. Special Guests

Manfred Stolpe [Germany]
Karen Brutens [Russia]
Huang Hua [People's Republic of China]
Kim Hak Joon [Republic of Korea]
Henry A. Kissinger [United States]
Emile van Lennep [Netherlands]
Robert McNamara [United States]
Isamu Miyazaki [Japan]
Petr Pithart [Czech Republic]
Kazimiera Prunskiene [Lithuania]
Kalevi Sorsa [Finland]
Jan Urban [Czech Republic]
George Vassiliou [Cyprus]
Thomas W. Howard (United States of America)

III. Invited Journalists

Michael Groth [Germany] - Deutschlandfunk
Christian Kerl [Germany] - Freie Presse, Chemnitz
Kim Dae-Joong [Republic of Korea] - Chosun Ilbo
Flora Lewis [United States] - The New York Times
Laurent Mossu [France] - Le Figaro
Walther Stützle [Germany] - Der Tagesspiegel
Nagaharu Hayabusa [Japan] - Asahi Shimbun
Teruto Akiyama [Japan] - Nihon Keizai Shimbun

IV. Senior Staff

Hans d'Orville
Dragoljub Najman
Keiko Atsumi
Caroline Anstey
Jens Fischer